

28 November 1973

MEMORANDUM FOR: Acting Chief, Western Hemisphere Division

SUBJECT : [REDACTED] Amendment for Fiscal Year 1973
and Renewal for Fiscal Year 1974

1. Subject project provides financial support to Chile's largest political organization, the Cristian Democratic Party (PDC). This submission includes proposals for a project amendment for FY 73 and a project renewal for FY 74.

a. The project amendment is in the amount of [REDACTED] which brings the total for FY 73 to \$685,150, all of which has been previously approved by the 40 Committee.

b. The project renewal for FY 74 is in the amount of [REDACTED]. Of this, [REDACTED] has already been approved by the 40 Committee [REDACTED] for continuing support to the PDC, and [REDACTED] to fund the travel of a PDC delegation). [REDACTED]

2. Since the coup d'etat of September 1973 and the assumption of power by military junta, the 40 Committee has vacillated on what subsidies, if any, should be given to the PDC to support its activities under the junta. These subsidies, however, appear to be necessary to maintain the PDC as a viable alternative party to the Communist and Socialist Parties should the junta relinquish power to civilian control under a new constitution. Since

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much of the financial base of support for the PDC was destroyed by the fiscal policies of the Allende regime, the PDC is heavily dependent on U.S. Government funding if it is to compete effectively with the former U.P. Parties for support among middle and low income groups.

3. [REDACTED]

[REDACTED] recommends approval of the renewal and surge funding of the PDC to carry it for a period of time with the understanding that it will then be on its own. [REDACTED] recommends approval of the project amendment also.

[REDACTED]

[REDACTED]